

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of California American Water Company (U 210 W) for an order authorizing it to increase its rates for water service in its Monterey District to increase revenues by \$9,456,100 or 32.88% in the year 2006; \$1,894,100 or 4.95% in the year 2007; and \$1,574,600 or 3.92% in the year 2008; and for an order authorizing sixteen Special Requests with revenue requirements of \$3,815,900 in the year 2006, \$5,622,300 in the year 2007, and \$8,720,500 in the year 2008; the total increase in rates for water service combined with the sixteen Special Requests could increase revenues by \$13,272,000 or 46.16% in the year 2006; 7,516,400 or 17.86% in the year 2007; and \$10,295,100 or 20.73% in the year 2008.

Application 05-02-012
(Filed February 28, 2005)

In the Matter of the Application of California-American Water Company (U 210 W) for Authorization to Increase its Rates for Water Service in its Felton District to increase revenues by \$796,400 or 105.2% in the year 2006; \$53,600 or 3.44% in the year 2007; and \$16,600 or 1.03% in the year 2008; and for an order authorizing two Special Requests.

Application 05-02-013
(Filed February 28, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING
ON CALIFORNIA-AMERICAN WATER
COMPANY'S SEPTEMBER 2, 2005 MOTION**

This ruling finds that California-American Water Company's (Cal-Am) September 2, 2005 "Request for Clarification and Rule 74 Compliance Filing or, Alternatively, Motion to Supplement the Record" (Motion) is properly considered as a petition to set aside submission and reopen the proceeding under Rule 84 of the Commission's Rules of Practice and Procedure (Rule 84). We grant the motion based on Cal-Am's assertion that the new document being offered is probative evidence on an important contested issue. This ruling sets a procedural schedule for the submission of the additional evidence.

In its motion, Cal-Am seeks to have a 400-page National Demographics Corporation (NDC) survey, identified as Exhibit A, admitted into the evidentiary record as late-filed Exhibit No. 99. On September 12, 2005, the Office of Ratepayer Advocates (ORA) filed a response opposing Cal-Am's motion. ORA provides transcript cites to establish that Exhibit A is not the document reserved for late-filed Exhibit 99 and that none of Cal-Am's witnesses relied on Exhibit A as a basis for any testimony. Further, ORA states that Cal-Am has not provided certification that Exhibit A is true and correct as required by Rule 69 and parties have not been permitted any discovery on the content of Exhibit A or been able to cross-examine any Cal-Am witness on the document.

While ORA is correct in its assertions, this ruling finds that provided due process is afforded to all parties, Cal-Am should be given the opportunity to present what it characterizes as probative evidence on the issue of the reasonableness of its expenditures on the Carmel River Dam Project, a contested issue in this proceeding.

The evidentiary record has already been reopened. By ruling dated September 1, 2005, Felton FLOW's petition to reopen the evidentiary record to receive additional evidence was granted and an evidentiary hearing is set for

September 16, 2005. This hearing will address only the issue of the Highway 9 Replacement project. As set forth in the September 1 ruling, Rule 51.4 comments on the Cal-Am/ORA proposed settlement must be filed by September 21 and reply comments by October 5, 2005.

Under Rule 84, submission of this proceeding is set aside to take Exhibit A attached to Cal-Am's September 2, 2005 motion, into evidence. In response to Cal-Am's motion and ORA's response, a procedural schedule is set that (a) directs Cal-Am to serve supplemental testimony sponsoring and certifying Exhibit A, (b) provides for discovery and rebuttal testimony from interested parties, and (c) sets evidentiary hearings and new briefing dates. The following procedural schedule is adopted:

Cal-Am serves sponsoring testimony	September 19, 2005
Rebuttal testimony may be served by ORA and other interested parties	October 19, 2005
Evidentiary hearings	October 26, and 27, 2005 at 10:00 a.m. in the Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco, CA 94102
Opening Briefs filed ¹	November 4, 2005
Reply Briefs filed	November 18, 2005

¹ If Cal-Am chooses to seek interim rate relief under Public Utilities Code Section 455.2, it must make the showing required in Section III.E of D.04-06-018 and include its request in its opening brief on November 4, 2005. Any responses to Cal-Am's request must be filed by November 10, 2005.

A.05-02-012, A.05-02-013 CMW/sid

Therefore, **IT IS RULED** that:

1. Submission of this proceeding is set aside for the purpose of taking into evidence Exhibit A attached to California-American Water Company's September 2, 2005 motion.
2. The procedural schedule set forth above is adopted.

Dated September 13, 2005, at San Francisco, California.

/s/ CHRISTINE WALWYN
Christine Walwyn
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling on California-American Water Company's September 2, 2005 Motion on all parties of record in this proceeding or their attorneys of record.

Dated September 13, 2005, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.